

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order IPI-433
March 24, 2013

Mr. David Stewart
OXY USA Inc.
PO Box 50250
Midland, TX 79710

RE: Injection Pressure Increase

Disposal Permit: SWD-1326 Pool: SWD; Bell Canyon
Harroun 15 Well No. 3 API 30-015-29233
Unit H, Sec 15, T24S, R29E, NMPM, Eddy County, New Mexico

Dear Mr. Stewart:

Reference is made to your request on behalf of OXY USA Inc. (OGRID 16696) received by the Division on February 26, 2013, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal in the Bell Canyon member of the Delaware Mountain Group by Division administrative order SWD-1326 approved May 10, 2012. That permit allowed disposal through perforations from 3041 feet to 3765 feet at a maximum surface disposal pressure of 608 psi.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step rate test for this well run February 15, 2013, you are hereby authorized to inject at the following maximum surface tubing pressure:

Harroun 15 Well No. 3 API 30-015-29233 1000 psi

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and a new step-rate test. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well. This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

The Division Director may rescind this permitted injection pressure increase if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,



JAMI BAILEY

Director

JB/wvjj

cc: Oil Conservation Division – Artesia
File: SWD-1326